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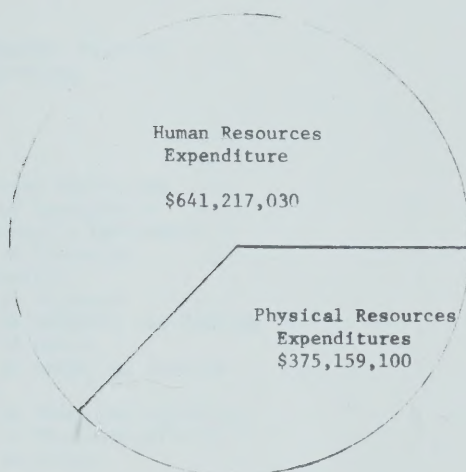
1970 - 71 GUIDELINES

**TREASURY DEPARTMENT
BUDGET BUREAU**

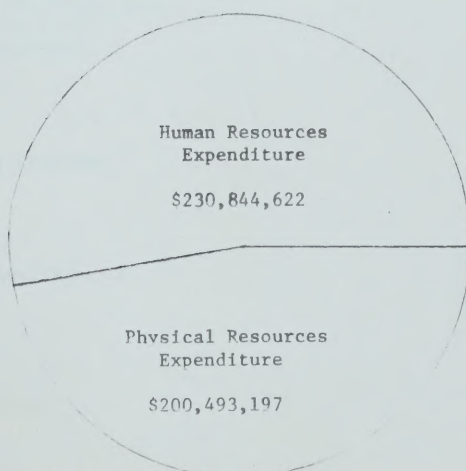
**THE HON. A. O. AALBORG
MINISTER**

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PROVINCE OF ALBERTA
1970-1971 BUDGETARY GUIDELINES
Expenditure on Human Resources and Physical Resources



1970-1971



1963-1964



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INTRODUCTION

PREAMBLE TO

1970 - 1971 BUDGETARY GUIDELINES

I. Preamble to 1970-1971 Budgetary Guidelines

In early 1969, the economy of Alberta entered its ninth consecutive year of expansion. This trend is projected to continue into 1970-1971 resulting in an annual increase of about 7½% in the Gross Provincial Product of Alberta. This increase will be accomplished by a 2% increase in the labour force, a 2½% increase in productivity, and a 3% rise in the general level of prices. The degree of inflation that will be experienced by the Albertan economy will be largely determined by the stabilization policies of the Canadian and American central governments. A balanced Provincial budget will help minimize inflationary pressures in Alberta.

The effect of a viable, dynamic economy combined with elastic sources of revenue and augmented by the new and additional tax levies authorized in the spring of 1969 will ensure a substantial increase in revenues accruing to the Province in 1970 and 1971. Revenues are projected to increase from \$945 million to about \$1,020 million for the fiscal year 1970-1971. As the population grows and society becomes more complex, there is an increasing demand for public services in general. It is necessary to expand some programs and terminate others in accordance with shifting tastes and demands, if the collective wants of the people of Alberta are to be satisfied and the available, scarce resources optimally allocated among their many competing, alternative uses. Expenditures by the Province of Alberta have been projected to increase from \$964 million to \$1,049 million for the fiscal year 1970-1971. Assuming that there is no application of fiscal restraint to constrain the expectations of the various Departments competing for increased appropriations, the current projections indicate a budgetary deficit of approximately \$29 million for the fiscal year 1970-1971.

If the policy goal of a balanced budget with no new taxes and no increases in present tax rates is to be attained, it is necessary that guidelines be established for the various programs, activities, and appropriations so that projected expenditures are reduced by \$29 million to a level of \$1,020 million. This will involve trade-offs among various programs and activities. Some programs of lower priority must be deferred or decelerated so that higher priority programs, demanded by the people of Alberta, can be made more effective and comprehensive.

In general, all expenditures relating to the ongoing programs of the public sector of the economy are composed of two major categories of expenditure. Non-discretionary expenditures are those to which the Province of Alberta is committed by statute, contract or formula. Major programs such as the School Foundation Program, Hospitalization, and Municipal Assistance Grants are included in this category. The recently contracted general salary increase for Provincial employees will also fall into this category in 1970-1971. All other expenditures are termed discretionary expenditures since any decrease or increase is not determined by rule or formula, but is dependent upon the allocative role of the Treasury Board, Departmental decision-makers, and the relative priority established for each particular expenditure.

Projections indicate that increases in non-discretionary expenditures will more than account for the entire allowable increase in total expenditure if there is to be a balanced budget in 1970-1971. This necessitates some reallocation of available funds among the remaining programs and activities so that higher priority programs will not stagnate and so that important new programs can be planned for and initiated in accordance with the public's desires and the Government's policies.

The general philosophy that has been established to achieve a balanced budget and affect an improved allocation of budgetary expenditures is summarized as follows:

- 1) Non-discretionary increases are to have first priority on access to new revenues in order that the current level of service to the public is maintained.
- 2) Expenditure increases are to be minimized for all discretionary programs.
- 3) New programs that may be implemented will be at the expense of decreases in expenditures on present discretionary programs, and/or, the elimination and consolidation of duplicative or redundant programs.
- 4) The Treasury Board will establish budgetary guidelines on a broad, functional basis. Departmental officials will establish priorities and allocate expenditures within these broad functional groupings.
- 5) The Budget Bureau will suggest a list of low priority programs that may be eliminated or their expenditures decreased depending upon Departmental discretion.

II. Guideline Determination

- 1) Non-discretionary programs received increases that were a function of the projected increases in the parameters used to calculate the contribution of the Province to the financing of the program.
- 2) The salary component of any particular program or appropriation was increased by 15% over the 1969-70 estimate to compensate for the increases explicit in the new contract.

- 3) Physical goods and equipment that were judged to be necessary, and/or complementary to each program, received increases of at least 3% to allow for inflation. Selected components were increased by more than this minimum.
- 4) Higher priority programs received additional budgetary increases to allow for improvements in service, increased coverage, and to complete attendant activity development.
- 5) Lower priority programs received little or no increase, or were cut back to levels below those of the 1969-1970 estimates.

After applying these general allocative rules to the projected expenditures of each Department, it was possible to eliminate \$21 million from the projected total budgetary expenditure of \$1,049 million. With revenues anticipated to be \$1,020 million, the guideline expenditure level of \$1,028 million indicates a 1970-1971 deficit of \$8 million. This may be further reduced by eliminating funds allocated to the low priority programs listed in the accompanying statement. A further application of fiscal restraint is advisable if the goal of a balanced budget for 1970-1971 is to be attained.

PART ONE

SUMMARY OF BUDGETARY ACCOUNTS

STATEMENT OF REVENUES

1970 - 1971

SUMMARY OF PROVINCIAL GOVERNMENTREVENUES AND EXPENDITURESFiscal Year 1969-70 (Estimate)

Expenditures Forecast (Including Statutory Payments)	\$ 979,312,000
Revenues Forecast	945,199,000
Deficit	-34,113,000

Fiscal Year 1970-71 (Projection)

Expenditures Projected (Including Statutory Payments)	1,027,876,130
Revenues Projected	1,020,160,000
Deficit	-7,716,130
Projected Increase in Expenditures	46,564,130 (4.7%)
Projected Increase in Revenues	74,961,000 (7.9%)

If Budget to be Balance (Including Statutory Payments)

Total Expenditures Allowable	1,020,160,000
Total Expenditures 1969-70	979,312,000
Total Allowable Increase	40,848,000 (4%)
Increase in Non-Discretionary Expenditures (per Statement 1)	<u>42,578,698</u>
Discretionary Funds Available	\$ -1,730,698

STATEMENT 1

'NON-DISCRETIONARY' INCREASES

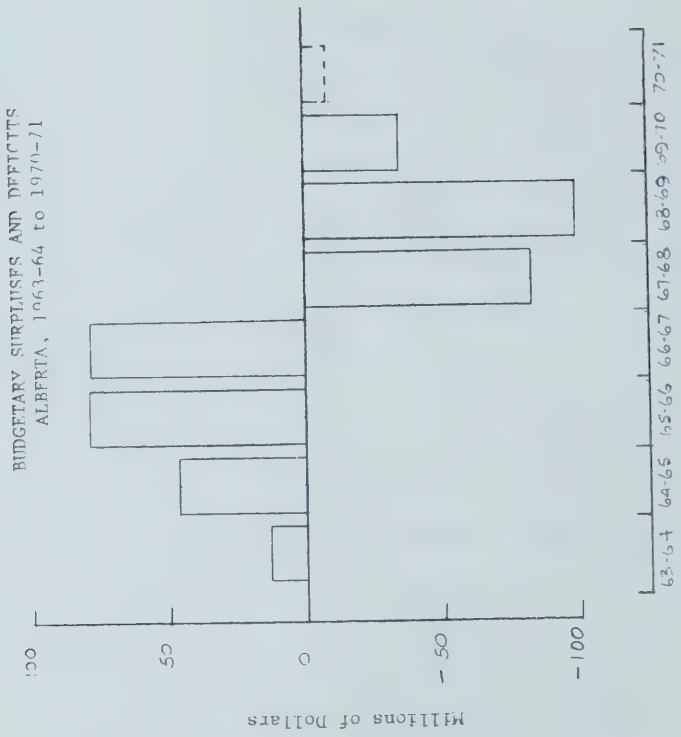
	<u>1969-70</u>	<u>1970-71</u>	<u>Increase</u>
School Foundation Program	\$158,200,000	\$167,546,600	\$ 9,346,600
Hospitalization	152,156,000	165,500,000	13,344,000
Municipal Assistance Grants	33,774,000	37,000,000	3,226,000
Salaries	111,080,650	127,742,748	16,662,098
Total Increase in 'Non-Discretionary' Expenditures			42,578,698
Increase in Allowable Expenditures (Assuming Balanced Budget)			<u>40,848,000</u>
Residual = Discretionary Funds Available			-\$ 1,730,698

SUMMARY OF BUDGETARY ACCOUNTSFiscal Year 1969-70 (Estimate)

Expenditures	\$ 964,312,275
Revenues	945,199,460
Deficit (Excluding Statutory Payments and Receipts)	(-19,112,815)
Net Statutory Expenditure	15,000,000
Deficit (Including Statutory Payments)	-34,112,815

Fiscal Year 1970-71 (Projection)

Expenditures	1,016,376,130
Revenues	1,020,160,000
Surplus (Excluding Statutory Payments and Receipts)	3,783,870
Net Statutory Expenditure	11,500,000
Deficit (Including Statutory Payments)	-7,716,130



REVENUE PROJECTION

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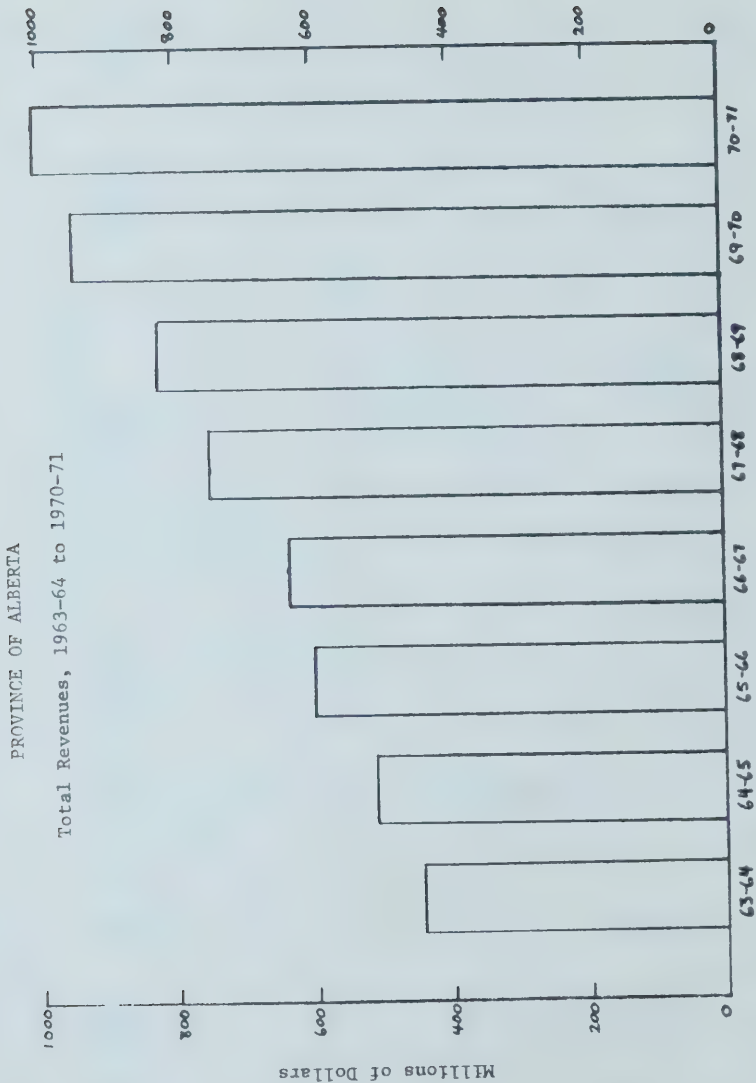
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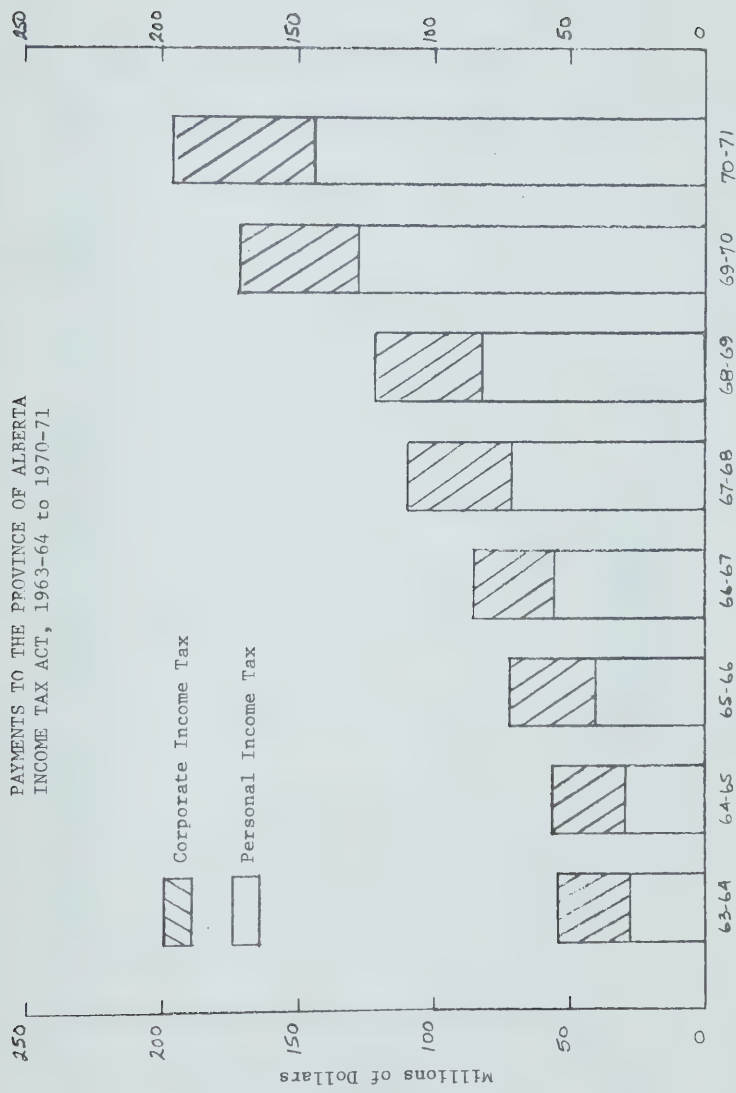
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<u>Income Account</u>	<u>1969-70</u>	<u>1970-71</u>
Federal-Provincial Fiscal Arrangements	7,000	8,000
Taxes		
Income Tax		
Individual	128,200	144,704
Corporate	44,300	53,040
Gasoline & Fuel Oil	75,500	77,710
Tobacco Tax	6,000	10,000
Licenses		
Automobiles, trucks, etc.	24,922	28,467
Fees		
Petroleum & Natural Gas		
Fees & Rentals	52,000	56,000
Royalties	108,000	111,000 -
Sales	105,000	105,000 -
Timber	5,250	5,250
Treasury Branches	14,100	16,000
Profits from trading activities		
Liquor Control Act	45,311	54,340
Refunds of expenditure		
Government of Canada		
ARDA	1,002	1,500
CAP	29,512	33,000
Hospital Insurance	64,394	69,230
Post-Secondary Education	41,505	50,779
Medicare	- -	10,000 ²
Other		
Hospital Insurance Municipalities	11,800	11,864
Pension Act	17,300	15,275
Other	89,029	98,822
Total: Income Account	870,125	959,981
<u>Capital Account</u>		
Repayment of advances and loans ¹	32,652	12,179
Other	42,422	48,000
Total: Capital Account	75,074	60,179
TOTAL REVENUE		1,020,160

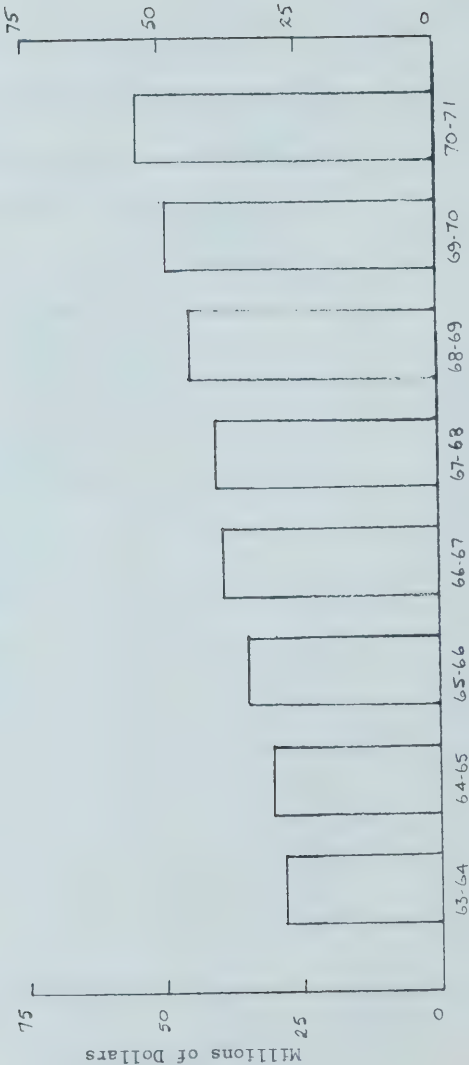
¹Municipal Land Loans Act repayments (\$167,360) were not included in the 1969-70 Estimates, but are included in the projections.

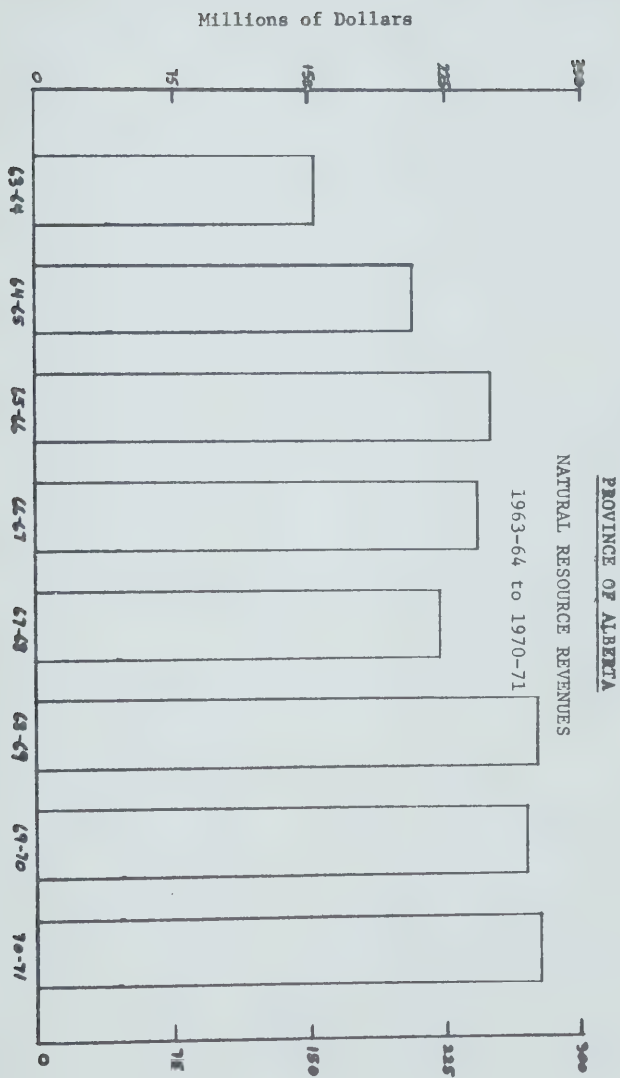
²This figure offsets the anticipated costs of Medicare that will be paid out of general revenues and is not a true representation of revenues from Medicare, which will not enter General Revenue.



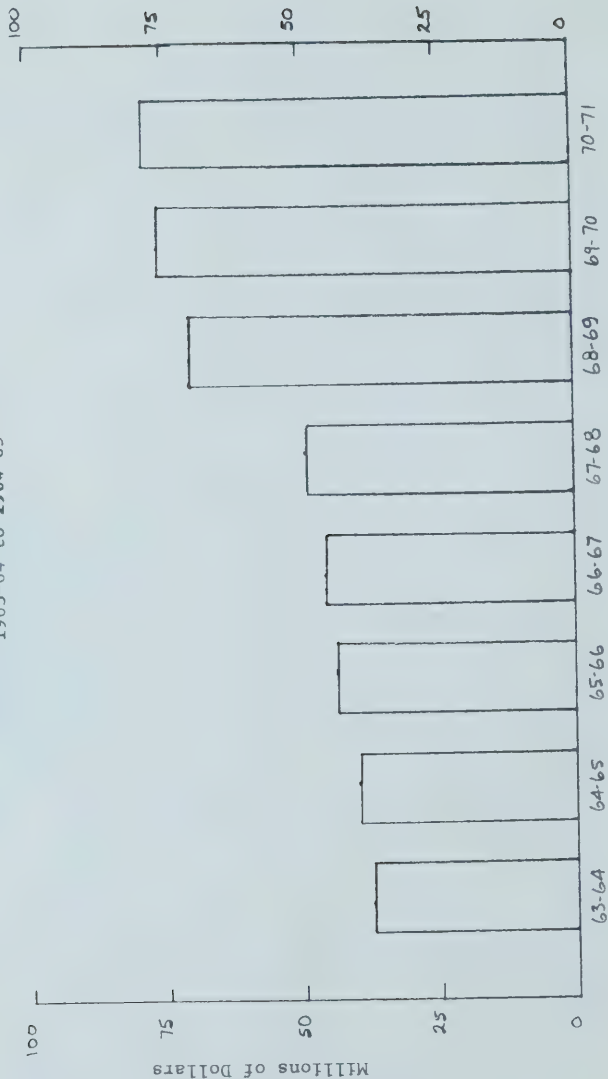


PROVINCE OF ALBERTA
REVENUE FROM ALBERTA LIQUOR CONTROL BOARD
1963-64 to 1970-71





PROVINCE OF ALBERTA
GASOLINE AND FUEL OIL TAX REVENUE
1963-64 to 1966-65



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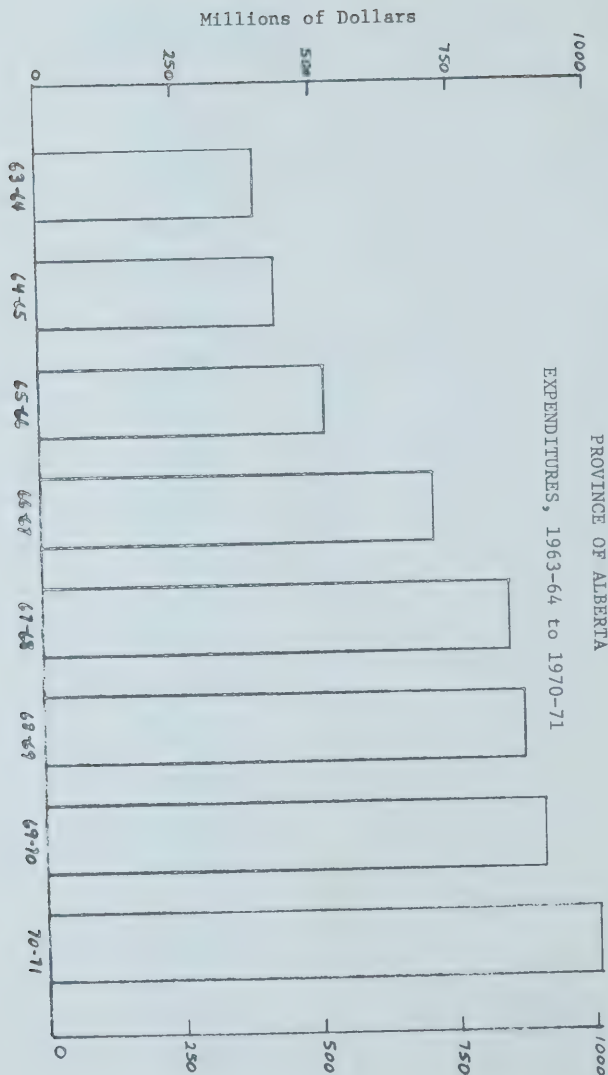
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BUDGETARY EXPENDITURE PROJECTION, 1970-71

<u>Department</u>	<u>Projected Increase Over 1969-70 Estimate</u>	<u>Percentage</u>
Agriculture	-5,842,441	-24.0
Attorney General	2,225,095	10.3
Education	27,587,045	9.0
Executive Council	882,074	5.1
Highways	3,037,910	3.2
Industry & Tourism	167,610	6.7
Labour	400,950	11.3
Lands & Forests	1,188,020	6.5
Legislation	924,315	29.2
Mines & Minerals	261,900	12.2
Municipal Affairs	2,403,000	20.5
Provincial Secretary	250,680	7.1
Public Debt	-624,370	-10.7
Public Health	4,827,160	2.3
Public Welfare	4,697,991	6.9
Public Works	2,680,091	3.5
Treasury	7,271,165	8.1
Youth	-274,240	-9.2
TOTAL	52,063,955	5.4
Net Decrease in Statutory Payments	3,500,000	
Total Increase in Expenditures	48,564,130	4.7
Total Allowable Increase		
(If Budget to be Balance)	40,848,000	4.0
DEFICIT	-7,716,130	



DEPARTMENT OF AGRICULTURE

The Guideline for this Department assumes that no new programs or projects will be commenced during 1970-71, unless funds become available due to Departmental termination or deceleration of any current programs. As the A.R.D.A. agreement is due to expire March 31, 1970, funds have been provided to complete currently approved and commenced projects only. Funds have not been provided for any new area development plan. Water Resources Development and Irrigation Rehabilitation funds have been decreased somewhat in consideration of completion of projects during 1969-70. Crop Insurance has been increased nominally. General salary increase and increments have been included for present staff; no allowance for new staff has been made. Inflationary allowance of approximately 3% has been made on applicable items. Discretionary allowances and grants are maintained at 1969-70 levels.

DEPARTMENT OF AGRICULTURE, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Extension & Colleges Division	3,956,842	4,277,500	8.1
Water Resources Division	4,473,109	4,304,000	-3.8
Program Development*	9,092,405	2,612,700	-71.3
Other	<u>6,851,585</u>	<u>7,337,300</u>	<u>7.1</u>
Total Expenditure	24,373,941	18,531,500	-24.0

*ARDA agreement ends March 31, 1970. Possibility of transfer to Executive Council.

ATTORNEY GENERAL'S DEPARTMENT

The 1970-71 budget guideline for the Attorney General's Department has been set at \$23,923,665. This is an eleven per-cent increase over 1969-70 budget estimates. The basic philosophy and overriding criterion behind these guidelines was that of balancing the budget in 1970-71. The concept of a balanced budget carries with it specific implications which are...

- a) no new programs are to be initiated to which the Government is not already explicitly committed.
- b) those new programs which are undertaken, are at the expense of already existing programs.

This has meant that those areas of expenditure which could be considered non-discretionary or those to which the Government is committed by statute or policy would be allotted budgetary increases sufficient to maintain normal growth of 5.5% in the programs.

In line with the concept of a balanced budget, the other side of the coin is that those programs in which Government spending is considered to be of a discretionary nature would be cut back, or at least maintained at approximately the same level as the preceding year.

The implications of this approach to the Attorney General's Department are...

-due to the recently negotiated salary increases which averaged 8% last year, which was not budgeted for, and which will be approximately 7% effective January 1, 1970, and because a large portion of the

Department's spending is on salaries, the overall rate of increase is larger than the figure used as a guideline. This rate is composed of a 2% population increase and a 3.5% inflationary increase.

-because the Government is committed to maintaining correction institutions, court houses, land titles offices and various services of a legal-judicial nature, all programs within the Attorney General's Department would be allotted budgetary increase sufficient to maintain normal growth of at least 5.5% in these areas.

While the guideline recognizes the importance of the philosophy of the Magrath Report, no attempt has been made to allow for implementation of its recommendations in the 1970-71 fiscal year.

ATTORNEY GENERAL'S DEPARTMENT, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Administration & Enforcement of Justice	10,233,160	11,068,210	8.2
Juvenile Offenders & Probation Branch	1,735,260	1,925,625	11.0
Correctional Institutions	6,059,700	6,768,080	11.7
Other	<u>3,670,450</u>	<u>4,161,750</u>	<u>13.4</u>
Total Expenditure	21,698,570	23,923,665	10.3

DEPARTMENT OF EDUCATION

The Department of Education received a guideline increase of \$27,587,044 for 1970-71 bringing its total projected budget to \$335,015,139. This represents an increase of 9% over the estimated 1969-70 budget of \$307,428,095. The guideline increase represents a substantial increase over the Department's own estimate of about \$329 million for the fiscal year 1970-71. About 32.8% of total Provincial revenues will be allocated to Education in 1970-71 compared to 31.8% in 1969-70

DEPARTMENT OF EDUCATION GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Elementary & Secondary Education	161,874,285	171,260,268	5.8
Technical & Vocational Education	16,290,185	18,244,512	12.0
Post Secondary Education	114,801,600	128,881,680	12.3
Other	12,051,910	13,952,760	15.8
Departmental Administration	<u>2,410,115</u>	<u>2,675,920</u>	<u>11.0</u>
Total Expenditure	307,428,095	335,015,140	9.0

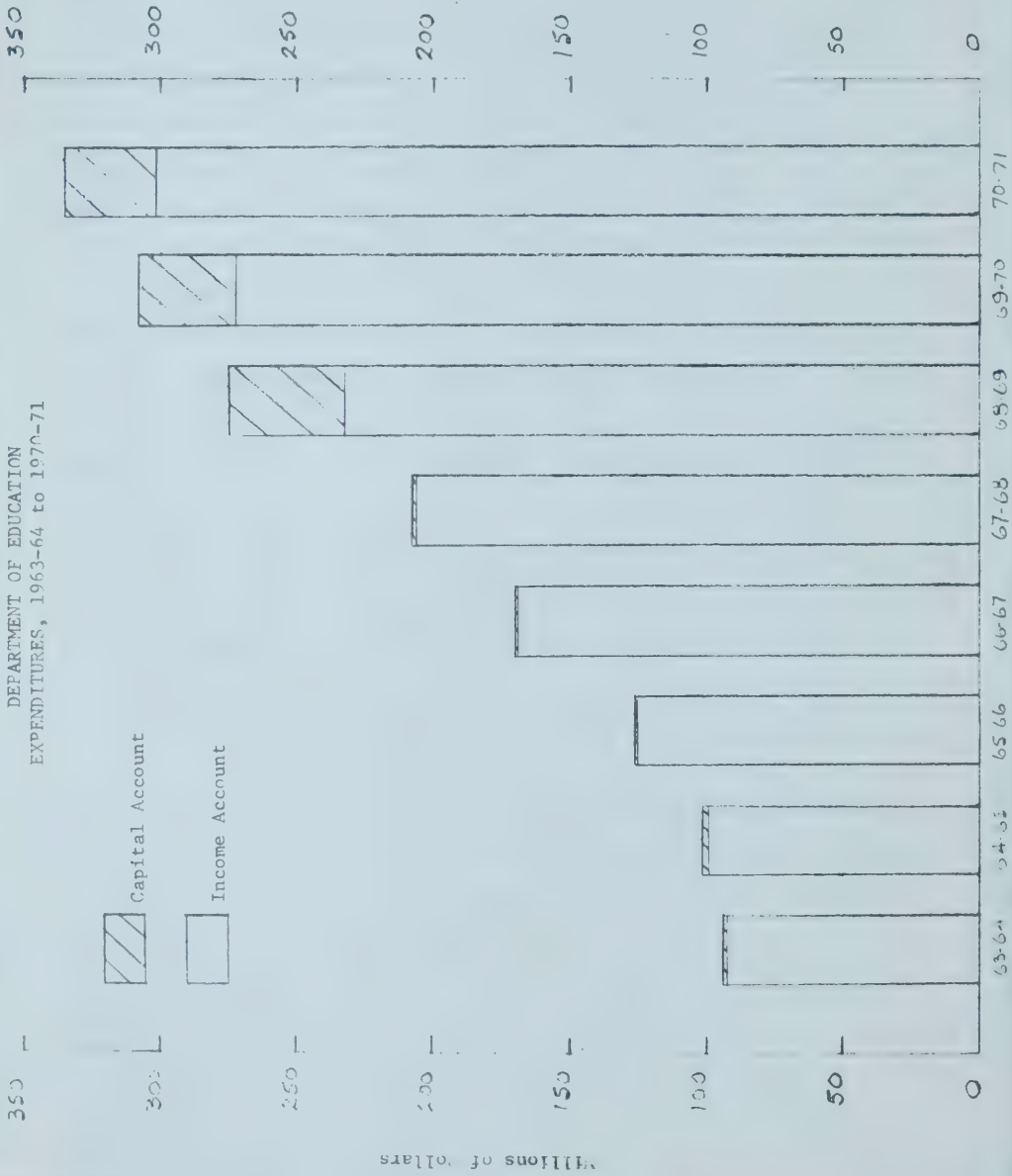
Most of the increases in the budget are accounted for by increases in non-discretionary expenditures. The June, 1969, Department of Education estimate was used to establish the projected funding of the School Foundation Program for 1970-1971. This amount may prove to be a generous estimate of funds as the recent downward trend in the growth of the number of elementary and secondary school pupils continues. By 1972-1973 the post-war baby boom will cease to impact the elementary and secondary school systems and enrollments are projected to fall in absolute terms. This will act as a built-in stabilizer on this portion of future education budgets.

As new programs are initiated and established programs grow at a normal rate, expenditures on Technical and Vocational Education are projected to increase at a substantial rate. In order to establish guidelines for this category of expenditure, the general increase of 15% was applied to the salary component of each appropriation and expenditures on physical goods were increased by generous amounts. Several appropriations were eliminated as programs were transferred to the administration of N.A.I.T. and S.A.I.T.

To establish guidelines for operating grants appropriations allocating funds to Post-Secondary Education were increased as a function of the expected increase in enrollments and an increased emphasis on undergraduate rather than expensive graduate training. Capital grants to the Universities Commission were allocated in conjunction with the present policy of allowing \$185 million for construction in the five year period, 1967-68 to 1971-72. To date approximately \$120 million of this amount has been used, allowing for about \$33 million to be spent in 1970-71. Any increase in this amount will be at the expense of a decreased appropriation in 1971-72. The matching of collections from the 3AU Capital Fund Raising Campaign will increase the Universities Commission appropriation by a minor amount in 1970-71.

Departmental Administration and Other expenditures were increased in accordance with general guideline principles.

DEPARTMENT OF EDUCATION
EXPENDITURES, 1963-64 to 1970-71



EXECUTIVE COUNCIL

The General Guidelines were applied to estimate expenditures for the fiscal year 1970-71.

EXECUTIVE COUNCIL, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Human Resources Development	1,315,890	1,315,890	-
Physical Resources Development	2,969,961	3,300,000	11.1
Other	<u>12,963,175</u>	<u>13,515,210</u>	<u>4.3</u>
Total Expenditure	17,249,026	18,131,100	5.1

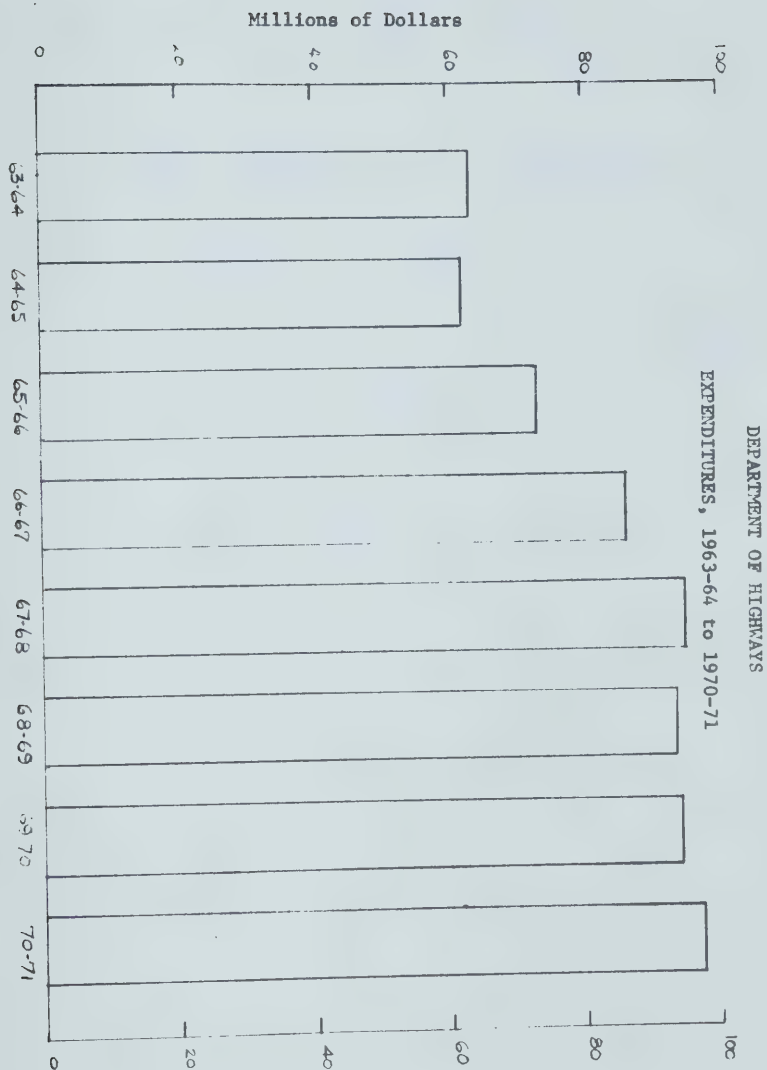
DEPARTMENT OF HIGHWAYS

The 1970-71 budget guideline for the Department of Highways has been set at \$96,844,600. This is an increase 3.2% over the 1969-70 estimates and is approximately 94% of the projection submitted to us by the Department last fall. For a department which is rather capital intensive as is the Department of Highways, the concept of a balanced budget implies that those areas of expenditure which are not on-going are the first to be deferred. Such is the case of the proposed \$7,000,000 expenditure for the Secondary Roads Program.

All other areas of Department of Highways expenditure have slight increases due to the effects of the recent salary increases and because maintenance of Department programs at present levels necessitates cost increases which more accurately reflect the nature of construction and maintenance costs which is higher than the inflationary rate of increase.

DEPARTMENT OF HIGHWAYS, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Maintenance	43,300,000	40,200,000	-7.2
Construction	42,501,060	48,073,500	13.1
Motor Vehicle Branch	4,065,670	4,179,000	2.8
Other	<u>3,939,960</u>	<u>4,392,100</u>	<u>11.5</u>
Total Expenditure	93,806,690	96,844,600	3.2



DEPARTMENT OF INDUSTRY AND TOURISM

General Budgetary Guidelines were applied to obtain estimated expenditure for the fiscal year 1970-71.

DEPARTMENT OF INDUSTRY AND TOURISM, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>1970-71 % Increase</u>
Tourism	589,110	600,000	1.8
Statistics and Industrial Development	570,850	620,850	8.8
Economic Research Division	- -	- -	-
Other	<u>1,323,380</u>	<u>1,430,000</u>	<u>8.1</u>
Total Expenditure	2,483,240	2,650,850	6.7

DEPARTMENT OF LABOUR

General Budgetary Guidelines were used to obtain the estimated expenditure for the fiscal year 1970-71.

DEPARTMENT OF LABOUR, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>1970-71 % Increase</u>
Total Department	3,535,400	3,936,350	11.3

DEPARTMENT OF LANDS AND FORESTS

The Guideline for this Department assumes that no new programs or projects will be commenced during 1970-71, unless funds become available due to Departmental termination or deceleration of any current programs. In the area of Fire Suppression, funds for administration and stand-by have been included; actual Suppression Funds are not included due to the impossibility of forecasting, and thus will be paid if and as required by special warrant. General salary increase and increments have been included for present staff; no allowance for new staff has been made. An inflationary allowance of approximately 3% has been made on applicable items. Capital appropriations have not been increased from 1969-70 levels.

DEPARTMENT OF LANDS AND FORESTS, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Forest Service	10,885,380	11,538,500	6.0
Provincial Parks	2,517,000	2,600,000	3.3
Fish & Wildlife Division	1,723,670	1,890,000	9.6
Other	<u>3,110,330</u>	<u>3,395,900</u>	<u>9.2</u>
Total Expenditure	18,236,380	19,424,400	6.5

LEGISLATION

The guideline for this department reflects increased staff and physical requirements in the Data Center and Audit due to the implementation of Medicare.

No Allowance for new staff has been made for the remainder of the Department. General salary increase and increments have been included for present staff. Inflationary allowance 3% has been made on applicable items.

LEGISLATION, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Data Centre	1,594,680	2,300,000	44.2
Other	<u>1,566,305</u>	<u>1,785,300</u>	<u>14.0</u>
Total Expenditure	3,160,985	4,085,300	29.2

DEPARTMENT OF MINES AND MINERALS

The Guideline for this Department assumes that no new programs or projects will be commenced during 1970-71, unless funds become available due to Departmental termination or deceleration of any current programs. General salary increases and increments have been included for present staff; no allowance for new staff has been made. An inflationary allowance of approximately 3% has been made on applicable items. Oil and Gas Property Tax has been increased 5%, Redemption of Mineral Titles by 10%.

DEPARTMENT OF MINES AND MINERALS, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Total Department	2,155,400	2,417,300	12.2

DEPARTMENT OF MUNICIPAL AFFAIRS

The Guideline for this Department assumes greater activity by the Alberta Housing and Urban Renewal Corporation in the fields of Public Housing, Urban Renewal, Land Assembly, Senior Citizen Housing, Metis Housing and Student Housing. A decrease in Government Staff Housing is assumed, and it should be noted that no funds have been provided in the areas of Land Development and Welfare Housing. Allowance for higher interest rates has been made in the Income Account Appropriation.

For the remainder of the Department it is assumed that no new programs or projects will be commenced during 1970-71, unless funds become available due to Departmental termination or deceleration of any current programs. General salary increase and increments have been included for present staff; no allowance for new staff has been made. An inflationary allowance of approximately 3% has been made on applicable items.

Department of Municipal Affairs, Guidelines, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guidelines</u>	<u>% increase 1970-1971</u>
Housing	\$ 7,100,310	\$ 8,958,000	26.2
Other	4,610,590	5,155,900	11.8
Total Expenditure	\$11,710,900	\$14,113,900	20.5

PROVINCIAL SECRETARY

General Guideline Principles were applied to obtain estimates for the fiscal year 1970-71.

PROVINCIAL SECRETARY, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Cultural Development	2,144,480	2,261,500	5.5
Public Relations	248,910	262,910	5.6
Other	<u>1,161,390</u>	<u>1,282,050</u>	<u>10.4</u>
Total Expenditure	3,554,780	3,805,460	7.1

PUBLIC DEBT

The guideline here assumes no new debt, and a decrease in current debt. Debt retirement has been increased from 1.8 to 2.0 million dollars.

PUBLIC DEBT, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Debt	5,819,370	5,195,000	-10.7

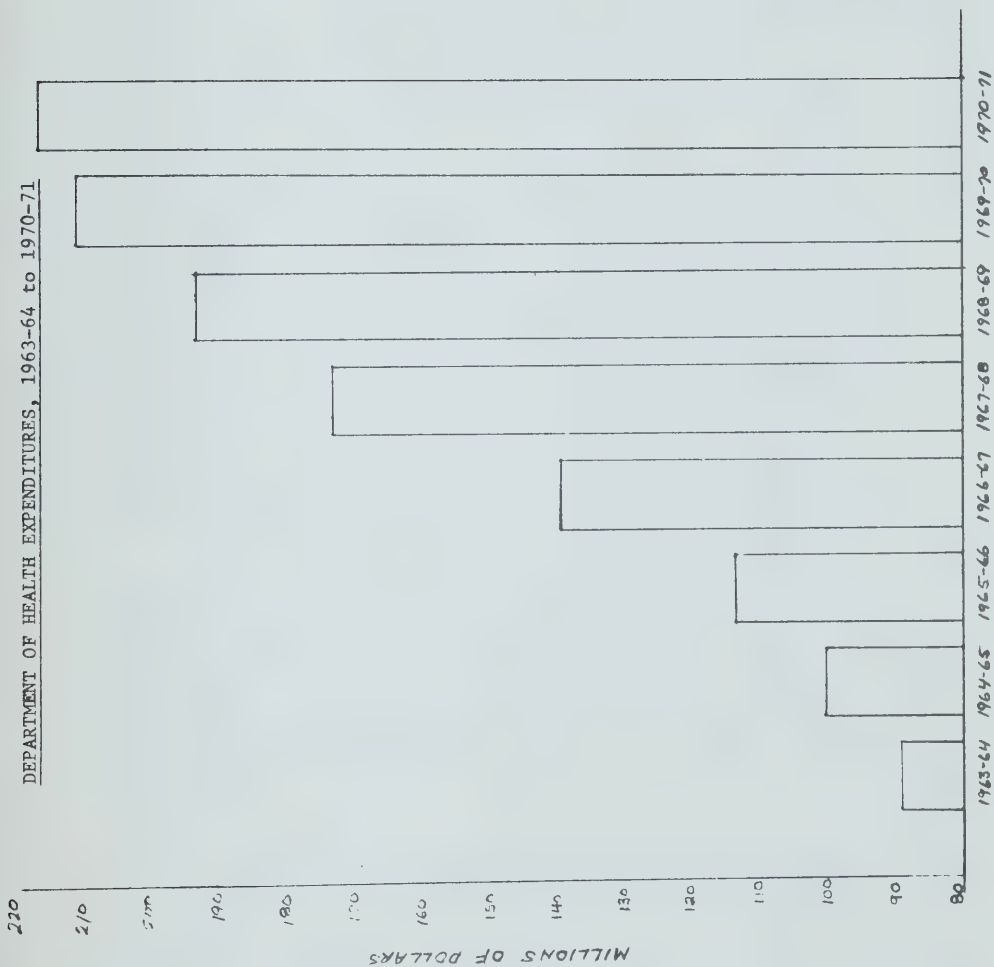
DEPARTMENT OF HEALTH

The 1970-71 budget guideline for the Department of Health has been set at \$216,655,800. This is a 2.3 per cent increase over the 1969-70 estimate. Administration and subsidy payments for Medicare have been estimated at \$10,000,000 for the first year of the plan. Medicare has been shown separately on the guideline and this accounts for the absolute decrease in the treatment function as last years estimate for Alberta Health Plan costs was \$22,000,000. With the change in the level at which subsidies will be applicable the result is a lower estimate in the amount of funds necessary for subsidy costs.

The Hospital Division treatment costs are estimated from projections of patient days and costs per patient day.

DEPARTMENT OF PUBLIC HEALTH, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Administration	505,520	569,300	12.6
Prevention	5,144,250	5,130,755	-.3
Treatment	54,023,230	35,455,745	-34.4
Medicare		10,000,000	-
Hospital Division Treatment	<u>152,155,640</u>	<u>165,500,000</u>	<u>8.8</u>
Total Expenditure	211,828,640	216,655,800	2.3



THE DEPARTMENT OF SOCIAL DEVELOPMENT

The implications of a balanced budget for the Department of Social Development are as follows:

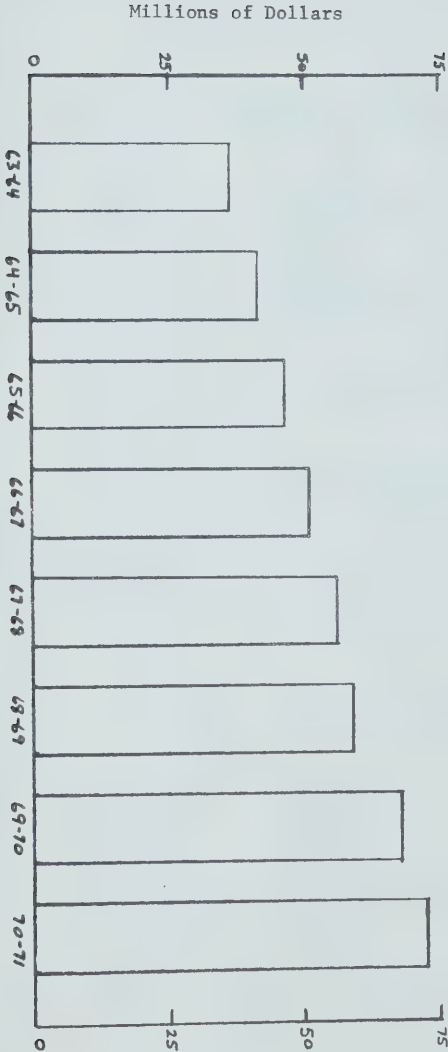
- (1) Salaries were allowed to increase 15 per cent to cover the new salary contract.
- (2) Those programs which have net increases in the number of cases handled were allowed to increase. No allowance was made for qualitative improvements. A qualitative increase in a particular program would have to come about at the expense of a quantitative decrease in the same program or at the expense of old programs within the same function.
- (3) No provision was made for new programs. If new programs are to be introduced they will have to be introduced at the expense of old programs in the same function or at the expense of programs in other functions within the Department.

The Department of Social Development on the whole increased by 6.9% over last years estimates. Generally the increase allows for a normal increase in programs of approximately 5% to allow for population growth and inflation. The 6.9% increase also allows for the increase in salaries due to the new salary contract.

DEPARTMENT OF SOCIAL DEVELOPMENT, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Administration & Other	5,178,665	5,858,125	13.1
Child Welfare	7,932,929	8,500,000	7.1
Public Assistance & Allowances	50,715,780	53,500,000	5.5
Homes & Institutions	1,482,295	1,600,000	7.9
Social Planning (Preventive Welfare)	2,550,465	3,100,000	21.5
Employment Opportunity Program	-	-	-
Total Expenditure	67,860,134	72,558,125	6.9

DEPARTMENT OF SOCIAL DEVELOPMENT
EXPENDITURES, 1963-64 to 1970-71



DEPARTMENT OF PUBLIC WORKS

General guideline principles were applied to obtain estimates for the fiscal year 1970-71.

DEPARTMENT OF PUBLIC WORKS, GUIDELINES, 1970-1971

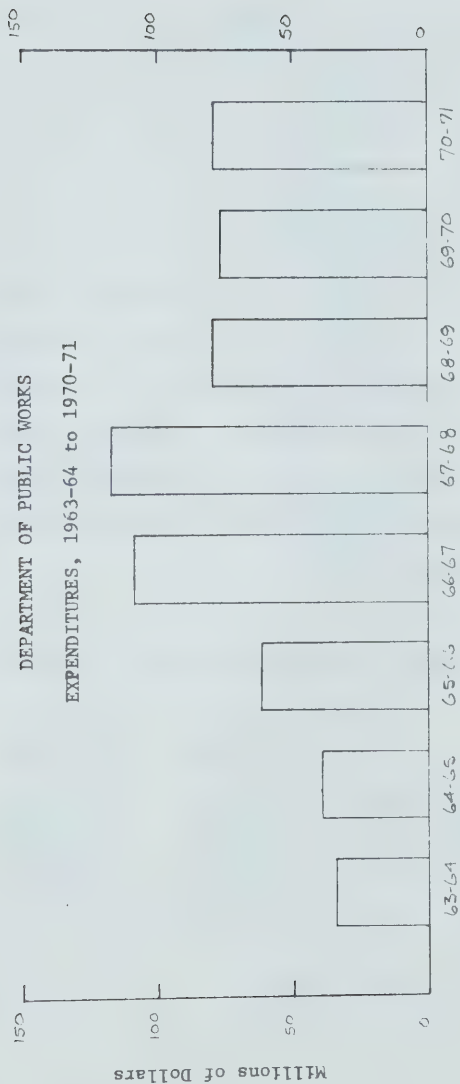
<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Administration	3,455,190	3,912,260	13.2
Maintenance	22,830,100	23,809,770	4.3
Grants	2,985,000	2,800,000	-6.2
Capital	<u>47,578,239</u>	<u>49,006,590</u>	<u>3.0</u>
Total Expenditure	76,848,529	79,528,620	3.5

DEPARTMENT OF YOUTH

General guideline principles were applied to non-discretionary expenditures and the ongoing system of recreation grants was decelerated to conform to the five year timetable established in 1967-68.

DEPARTMENT OF YOUTH, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Recreation	1,815,530	1,441,290	-20.6
Other	<u>1,155,230</u>	<u>1,255,230</u>	<u>8.7</u>
Total Expenditure	2,970,760	2,696,520	-9.2



TREASURY DEPARTMENT

The Guideline for this Department assumes that no new programs or projects will be commenced during 1970-71. Increases are mainly in areas where payments and grants are based on a formula set by Statute, such as Municipal Assistance and Homeowner Tax Discounts. Increases in Workmen's Compensation Board Assessment, Public Service Medical Insurance and Employers' Contribution to the Canada Pension Plan reflect an increase in volume and/or rate. Treasury Branch operations reflect increased interest payments both in amount and rate. Salary Contingencies have been reduced from 3.0 to 1.0 million dollars mainly due to salary increases and increments being included in all Departments guideline estimates. In operating appropriations general salary increase and increments have been included for present staff; no allowance for new staff has been made. Inflationary allowance of approximately 3% has been made on applicable items.

Treasury Department, Guidelines, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guidelines</u>	<u>% increase 1970-71</u>
Municipal Assistance Grants	\$33,773,845	\$37,000,000	10.0
Homeowner Tax Discount Grants	13,254,300	13,800,000	4.1
Grants & Allowances	1,300,000	1,375,000	5.8
Utility & Estate Tax Rebates	15,038,635	15,800,000	5.1
Others	26,224,555	28,887,500	10.2
Total Expenditure	\$89,591,335	\$96,862,500	8.1

SUMMARY OF EXPENDITURE GUIDELINES, BY DEPARTMENT

<u>1970-1971</u>		
<u>Department</u>	<u>1969-70 Estimate</u>	<u>1970-71 Guidelines</u>
Agriculture	\$ 24,373,941	\$ 18,531,500
Attorney General	21,698,570	23,923,665
Education	307,428,095	335,015,140
Executive Council	17,249,026	18,131,100
Highways	93,806,690	96,844,600
Industry & Tourism	2,483,340	2,650,850
Labour	3,535,400	3,936,350
Lands & Forests	18,236,380	19,424,400
Legislation	3,160,985	4,085,300
Mines and Minerals	2,155,400	2,417,300
Municipal Affairs	11,710,900	14,113,900
Provincial Secretary	3,554,780	3,805,460
Public Debt	5,819,370	5,195,000
Public Health	211,828,640	216,655,800
Public Welfare	67,860,134	72,558,125
Public Works	76,848,529	79,528,620
Treasury	89,591,335	96,862,500
Youth	2,970,760	2,696,520
 TOTAL: All Departments	 \$964,312,275	 \$1,016,376,130

NET STATUTORY PAYMENTS

The decrease reflects the completion of the Alberta Resources Railway, The Alberta Commercial Services Act, The New Towns Act and The Municipal Land Loans Act are ongoing and are continued at the 1969-70 level.

NET STATUTORY PAYMENTS, GUIDELINES, 1970-1971

<u>Function</u>	<u>1969-70 Estimates</u>	<u>1970-71 Guideline</u>	<u>% Increase 1970-71</u>
Net Statutory Payments	15,000,000	11,500,000	-23.0

TOTAL EXPENDITURE GUIDELINES, 1970-1971

Departmental Expenditures	\$1,016,376,130
Net Statutory Payments	<u>11,500,000</u>
Total Expenditure	\$1,027,876,130

PART THREE

SUGGESTED ^{2.} LOW PRIORITY PROGRAMS

SUGGESTED LOW PRIORITY PROGRAMS

Department of Agriculture

Miscellaneous Grants (Part)
Agricultural Societies (Part)
Farm Purchase Credit Act (Part)
Irrigation Secretariat (Part)
Municipal Agricultural Programs (Part)

Attorney General's Department

Law Libraries
Staff Training
Police and Staff Training

Department of Education

Alberta Roadbuilders Training Program
Miscellaneous Grants
Grants to Private Schools
Special Educational Services (Part)
Instruction (Public Relations)
School Administration (Part)
Counselling and Guidance (Part)
Audio-Visual Services (Part)
Other Vocational Training (Part)
Alberta Petroleum Industry Training Centre
Development of a Model Instructional
Materials Centre (Curriculum)
Text Books & Readers (Part)

Executive Council

Women's Cultural & Information Bureau

Department of Highways

Grants to Towns & Villages (Part)

Approaches to District Roads (Part)

Industry and Tourism

Alberta Power Commission

Film and Photographic Branch (Part)

Lands and Forests

Forest Land Use (Part)

Junior Forest Rangers

Parks Development (Part)

Municipal Affairs

Liaison Office

Provincial Secretary

Office of Agent General - London, England

Department of Health

Division of Epidemiology

Medical Rehabilitation Services

Social Development

Provincial Hostels (Part)

Rehabilitation of Disabled Persons

Rehabilitation of Disabled Persons (Grants)

Blind Persons Allowance

Disabled Persons Allowance

Mothers' Allowances

Disabled Persons Pension

Supplementary Allowances

Treasury Department

Grants & Allowances (Part)

Petroleum Recovery Research

Youth Department

Youth Agencies Program

Young Adults Program

Special Projects

A P P E N D I X

F U N C T I O N A L C L A S S I F I C A T I O N

FUNCTIONAPPROPRIATIONS

Agriculture

Extension & Colleges Division
 Water Resources Division
 Program Development*
 Other

12,13,14,19,51,52,53,54
 63,66,C87,C92,C93,C95,C96,C98
 9,10,15,60,61,62,64,71,C85,C86
 01,02,03,04,58,59,11,31,32,33,36,46,
 38,41,42,43,44,45,21,22,23,24,25,26,
 28,29,74,77,C81,C82,C83

Attorney General

Administration & Enforcement of Justice
 Juvenile Offenders & Probation Branch
 Correctional Institutions
 Other

06,07,08,11,15,16,18,19,20,25,26,27,
 36,37
 44
 50,51,52,53,54,55,56
 01,02,09,38,03,05,04,32,33

Education

Elementary & Secondary Education
 Technical & Vocational Education
 Post Secondary Education
 Other
 Departmental Administration

03,05,14,22,24,41,42,43,44,51
 26,55,56,62,63,64,65,66,67,68,69,70,71,72
 04,13,82,07,12,16,81
 25,31,32,08,09,06,10,11
 01,02,15,21,23

Executive Council

Human Resources Development
 Physical Resources Development
 Other

60,61,62,63
 30
 01,02,03,04,05,07,10,20,21,22,24,25,26
 40,42,43,09,C81

Highways

Maintenance
 Construction
 Motor Vehicle Branch
 Other

11,12,13,14,15,16,18,19,31,32,33,51,92
 41,43,52,83,84,88
 50
 01,02,10,30,81,85

